

WATER/ABJ/LTR:jlj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**WATER DIVISION
Water Advisory Branch**

**RESOLUTION NO. W-4200
June 8, 2000**

RESOLUTION

**(RES. W-4200), METROPOLITAN WATER COMPANY (MWC).
ORDER AUTHORIZING A RATE SURCHARGE, FOR RECOVERY
OF UNANTICIPATED EXPENSES, PRODUCING ADDITIONAL
REVENUES OF \$5,342.67 OR 66.5%.**

SUMMARY

By Advice Letter No. 18, filed on April 14, 2000, MWC requests revision of Schedule No. 1, Metered Service, and No. 2R, Residential Flat Rate Service, to offset unanticipated emergency system repairs totaling \$5,342.67 or 66.5%. MWC requests that a 24-month surcharge, beginning with its August 2000 billing period, be utilized to recover the unanticipated expenses from its 29 customers. The monthly surcharge of \$7.68 is shown in Appendix A, attached to this resolution. The increase requested will not result in a rate of return greater than last authorized for MWC.

BACKGROUND

In Decision (D.) 92-03-093, the Commission authorized Class C and Class D water utilities to establish memorandum accounts for unanticipated expenses. In late June 1999, MWC was faced with unanticipated emergency repairs to its pipeline on N. Knoll Drive. In accordance with D.92-03-093, MWC had duly established the required memorandum account and recorded therein the amount of \$5,342.67 representing expenses incurred by the company for these unanticipated emergency pipeline repairs from June to August 1999.

The increase requested herein is for the purpose of recovery through a surcharge, on a dollar-for-dollar basis, of the \$5,342.67 in expenses. The increase requested will not result in a rate of return greater than last authorized for MWC.

The present rates of MWC became effective on July 24, 1999, pursuant to Commission Res. W-4156 which authorized a 12-month rate surcharge of \$3.54 for recovery of unanticipated expenses totaling \$1,233. The last general rate increase became

effective June 1, 1991, pursuant to Res. W-3555, which authorized a general rate increase of \$4,432 or 123.1%, and a zero percent (0%) rate of return. MWC presently serves 29 customers in an unincorporated area located approximately two miles west of the city of Fresno, Fresno County.

DISCUSSION

The Water Advisory Branch (Branch) has reviewed and verified MWC's expenditures recorded in its unanticipated expense memorandum account. Since these expenses will be recovered on a dollar-for-dollar basis, any expenses recorded in the utility plant account will require a corresponding dollar entry in the contribution-in-aid-of-construction account.

The recommended surcharge is for a total of 24 monthly billings from each of MWC's 29 customers. The \$7.68 monthly surcharge will result in a total of \$5,342.67 revenue collection. The Branch finds no reason to deny MWC's request that the surcharge begin with its August 2000 billing period. The increase requested will not result in a rate of return greater than last authorized for MWC.

Service is satisfactory. There are no Commission orders requiring system improvement, nor are there service problems requiring corrective action. MWC currently complies with all Commission orders and regulations.

The Consumer Affairs Branch has not received any complaints against MWC during the last twelve months.

NOTICE OF PROTESTS

MWC has given notice of the request by mailing it on April 10, 2000, to each of its customers. No customer correspondence protests in the surcharge was received by the Branch.

FINDINGS

THE COMMISSION FINDS, after investigation by the Branch, that the rate surcharge hereby authorized is justified and resulting rates are just and reasonable.

IT IS ORDERED that:

1. Metropolitan Water Company is authorized to incorporate the rate schedules attached to this resolution and to concurrently cancel its presently effective rate Schedules No. 1, General Metered Service, and No. 2R, Residential Flat Rate Service. The effective date of the revised schedule shall be August 1, 2000.
2. Any improvement costs authorized by this resolution that Metropolitan Water Company records in the utility plant-in-service account requires a corresponding entry in the contribution-in-aid-of-construction account.
3. This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 8, 2000. The following Commissioners approved it:

WESLEY M. FRANKLIN
Executive Director

LORETTA M. LYNCH
President
HENRY M. DUQUE
JOSIAH L. NEEPER
RICHARD A. BILAS
CARL W. WOOD
Commissioners

APPENDIX A
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Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Skaal Knoll Homesites, located approximately two miles west of Fresno, Fresno County, and west half of Lot 53 of West Fresno Tract.

RATES

Quantity Rate:

All water used per 100 cubic feet \$0.85

Service Charge:

	<u>Per Meter</u> <u>Per Month</u>
For 5/8 x 3/4-inch meter	\$ 7.70
For 3/4-inch meter	11.50
For 1-inch meter	19.25
For 1-1/2-inch meter	38.50
For 2-inch meter	61.50

The Service Charge is a readiness-to-serve charge, which is applicable to all metered service and is added the charge for water used computed at the Quantity Rates.

SPECIAL CONDITIONS

1. As authorized by the California Public Utilities Commission, all bills for metered service are subject to a twelve-month surcharge of \$3.54 per month, beginning July 1999 and ending July 2000. This charge offsets the installation of ball valves and couplings installed in April of 1999. This surcharge is in addition to the water bill and other surcharges per Fresno County Health Department. (L) (T) (T) (L)

(continued)

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Schedule No. 1
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GENERAL METERED SERVICE

SPECIAL CONDITIONS (continued)

2. As authorized by the California Public Utilities Commission, all bills for metered service are subject to a twenty-four (24) month surcharge of \$7.68 per month, beginning August 2000, and ending August 2002. This charge offsets the emergency pipeline repairs which were done June through August of 1999. (N)
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(N)
3. All bills are subject to the reimbursement fee set forth in Schedule No. UF. (L)

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Schedule No. 2R

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service.

TERRITORY

Skaal Knoll Homesites, located approximately two miles west of Fresno, Fresno County, and west half of Lot 53 of West Fresno Tract.

RATES

	Per Service Connection Per Month
For a single-family residential unit including premises	\$23.00
For each additional single-family residential unit on the same premises and served from the same service connection	\$15.00

SPECIAL CONDITIONS:

1. The above flat rates apply to service connections not larger than one-inch in diameter.
2. All service not covered by the above classification shall be furnished only on a metered basis.
3. A meter may be installed at the option of the utility in which event service thereafter will be furnished under Schedule No. 1, General Metered Service. (L) (L)
4. As authorized by the California Public Utilities Commission, all bills for flat rate service are subject to a twelve-month surcharge of \$3.54 per month, beginning July 1999 and ending July 2000. This charge offsets the installation of ball valves and couplings installed in April of 1999, per Fresno County Health Department. This surcharge is in addition to the water bill and other surcharge. (L) (T) | (T) | (L)

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Schedule No. 2R
(continued)

RESIDENTIAL FLAT RATE SERVICE

SPECIAL CONDITIONS (continued):

5. As authorized by the California Public Utilities Commission, all bills for flat rate service are subject to a twenty-four (24) month surcharge of \$7.68 per month, beginning August 2000 and ending August 2002. This charge offsets the emergency pipeline repairs which were done June through August of 1999. (N)
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(N)
6. All bills are subject to the reimbursement fee set forth in Schedule No. UF. (L)